



General Assembly

February Session, 2008

Raised Bill No. 5485

LCO No. 201

00201_____VA_

Referred to Committee on Select Committee on Veterans' Affairs

Introduced by:
(VA)

***AN ACT INCREASING STATE ACTIVE DUTY PAY FOR THE
CONNECTICUT NATIONAL GUARD AND PROVIDING A STATE
INCOME TAX DEDUCTION FOR CERTAIN ACTIVE DUTY PAYMENTS.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 27-61 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2008*):

3 (a) For military service when ordered out by the Governor, except
4 when federal pay has been authorized, each commissioned officer,
5 warrant officer and enlisted person assigned to a federally recognized
6 National Guard unit in Connecticut shall be paid at the same rate,
7 including longevity pay and allowances, as would be authorized if
8 ordered out by federal authority but such rate shall be (1) increased by
9 the amount of ten dollars for enlisted persons and five dollars for
10 warrant officers and first and second lieutenants, and (2) not less than
11 one hundred twenty-five dollars per day.

12 (b) For military service when ordered out by the Governor, each
13 commissioned officer, warrant officer and enlisted person in a unit of
14 the organized militia which is not federally recognized shall be paid on

15 the same scale as the federal pay for corresponding grades in the tables
16 of organization of the federally recognized National Guard, increased
17 by the amount of ten dollars for enlisted persons and five dollars for
18 warrant officers and first and second lieutenants. Unless otherwise
19 provided by law, the determination of the corresponding grades in the
20 organized militia, other than the federally recognized National Guard,
21 shall be made by the Adjutant General.

22 (c) Officers, warrant officers and enlisted personnel of the
23 Connecticut National Guard who attend schools, conferences or staff
24 or ceremonial exercises by order of the Governor shall be paid their
25 travel and actual expenses. Commissioned officers serving on boards
26 or military commissions or attending conferences called by higher
27 headquarters in or out of the state shall receive pay and allowance of
28 their grade plus actual expenses. Each commissioned and warrant
29 officer, chief petty officer and enlisted person of the naval militia when
30 ordered out by the Governor, except when federal pay has been
31 authorized, shall receive for each day's service the same pay and
32 allowances as are prescribed by the federal government for the
33 corresponding grades of members of the United States Navy but such
34 pay shall be increased by the amount of ten dollars for enlisted persons
35 and five dollars for chief petty officers, warrant officers, lieutenants
36 junior grade and ensigns.

37 Sec. 2. Subparagraph (B) of subdivision (20) of subsection (a) of
38 section 12-701 of the 2008 supplement to the general statutes is
39 repealed and the following is substituted in lieu thereof (*Effective July*
40 *1, 2008, and applicable to income years commencing on or after January 1,*
41 *2009*):

42 (B) There shall be subtracted therefrom (i) to the extent properly
43 includable in gross income for federal income tax purposes, any
44 income with respect to which taxation by any state is prohibited by
45 federal law, (ii) to the extent allowable under section 12-718, exempt
46 dividends paid by a regulated investment company, (iii) the amount of

47 any refund or credit for overpayment of income taxes imposed by this
48 state, or any other state of the United States or a political subdivision
49 thereof, or the District of Columbia, to the extent properly includable
50 in gross income for federal income tax purposes, (iv) to the extent
51 properly includable in gross income for federal income tax purposes
52 and not otherwise subtracted from federal adjusted gross income
53 pursuant to clause (x) of this subparagraph in computing Connecticut
54 adjusted gross income, any tier 1 railroad retirement benefits, (v) to the
55 extent any additional allowance for depreciation under Section 168(k)
56 of the Internal Revenue Code, as provided by Section 101 of the Job
57 Creation and Worker Assistance Act of 2002, for property placed in
58 service after December 31, 2001, but prior to September 10, 2004, was
59 added to federal adjusted gross income pursuant to subparagraph
60 (A)(ix) of this subdivision in computing Connecticut adjusted gross
61 income for a taxable year ending after December 31, 2001, twenty-five
62 per cent of such additional allowance for depreciation in each of the
63 four succeeding taxable years, (vi) to the extent properly includable in
64 gross income for federal income tax purposes, any interest income
65 from obligations issued by or on behalf of the state of Connecticut, any
66 political subdivision thereof, or public instrumentality, state or local
67 authority, district or similar public entity created under the laws of the
68 state of Connecticut, (vii) to the extent properly includable in
69 determining the net gain or loss from the sale or other disposition of
70 capital assets for federal income tax purposes, any gain from the sale
71 or exchange of obligations issued by or on behalf of the state of
72 Connecticut, any political subdivision thereof, or public
73 instrumentality, state or local authority, district or similar public entity
74 created under the laws of the state of Connecticut, in the income year
75 such gain was recognized, (viii) any interest on indebtedness incurred
76 or continued to purchase or carry obligations or securities the interest
77 on which is subject to tax under this chapter but exempt from federal
78 income tax, to the extent that such interest on indebtedness is not
79 deductible in determining federal adjusted gross income and is
80 attributable to a trade or business carried on by such individual, (ix)

81 ordinary and necessary expenses paid or incurred during the taxable
82 year for the production or collection of income which is subject to
83 taxation under this chapter but exempt from federal income tax, or the
84 management, conservation or maintenance of property held for the
85 production of such income, and the amortizable bond premium for the
86 taxable year on any bond the interest on which is subject to tax under
87 this chapter but exempt from federal income tax, to the extent that
88 such expenses and premiums are not deductible in determining federal
89 adjusted gross income and are attributable to a trade or business
90 carried on by such individual, (x) (I) for a person who files a return
91 under the federal income tax as an unmarried individual whose
92 federal adjusted gross income for such taxable year is less than fifty
93 thousand dollars, or as a married individual filing separately whose
94 federal adjusted gross income for such taxable year is less than fifty
95 thousand dollars, or for a husband and wife who file a return under
96 the federal income tax as married individuals filing jointly whose
97 federal adjusted gross income for such taxable year is less than sixty
98 thousand dollars or a person who files a return under the federal
99 income tax as a head of household whose federal adjusted gross
100 income for such taxable year is less than sixty thousand dollars, an
101 amount equal to the Social Security benefits includable for federal
102 income tax purposes; and (II) for a person who files a return under the
103 federal income tax as an unmarried individual whose federal adjusted
104 gross income for such taxable year is fifty thousand dollars or more, or
105 as a married individual filing separately whose federal adjusted gross
106 income for such taxable year is fifty thousand dollars or more, or for a
107 husband and wife who file a return under the federal income tax as
108 married individuals filing jointly whose federal adjusted gross income
109 from such taxable year is sixty thousand dollars or more or for a
110 person who files a return under the federal income tax as a head of
111 household whose federal adjusted gross income for such taxable year
112 is sixty thousand dollars or more, an amount equal to the difference
113 between the amount of Social Security benefits includable for federal
114 income tax purposes and the lesser of twenty-five per cent of the Social

115 Security benefits received during the taxable year, or twenty-five per
116 cent of the excess described in Section 86(b)(1) of the Internal Revenue
117 Code, (xi) to the extent properly includable in gross income for federal
118 income tax purposes, any amount rebated to a taxpayer pursuant to
119 section 12-746, (xii) to the extent properly includable in the gross
120 income for federal income tax purposes of a designated beneficiary,
121 any distribution to such beneficiary from any qualified state tuition
122 program, as defined in Section 529(b) of the Internal Revenue Code,
123 established and maintained by this state or any official, agency or
124 instrumentality of the state, (xiii) to the extent allowable under section
125 12-701a, contributions to accounts established pursuant to any
126 qualified state tuition program, as defined in Section 529(b) of the
127 Internal Revenue Code, established and maintained by this state or
128 any official, agency or instrumentality of the state, (xiv) to the extent
129 properly includable in gross income for federal income tax purposes,
130 the amount of any Holocaust victims' settlement payment received in
131 the taxable year by a Holocaust victim, (xv) to the extent properly
132 includable in gross income for federal income tax purposes of an
133 account holder, as defined in section 31-51ww, interest earned on
134 funds deposited in the individual development account, as defined in
135 section 31-51ww, of such account holder, (xvi) to the extent properly
136 includable in the gross income for federal income tax purposes of a
137 designated beneficiary, as defined in section 3-123aa of the 2008
138 supplement to the general statutes, interest earned on contributions to
139 accounts established for the designated beneficiary pursuant to the
140 Connecticut Homecare Option Program for the Elderly established by
141 sections 3-123aa to 3-123ff, inclusive, [and] of the 2008 supplement to
142 the general statutes, (xvii) to the extent properly included in gross
143 income for federal income tax purposes, fifty per cent of the income
144 received from the United States government as retirement pay for a
145 retired member of (I) the Armed Forces of the United States, as defined
146 in Section 101 of Title 10 of the United States Code, or (II) the National
147 Guard, as defined in Section 101 of Title 10 of the United States Code,
148 and (xvii) to the extent properly includable in gross income for federal

149 income tax purposes, any pay received pursuant to subsection (a) of
150 section 27-61, as amended by this act, by an individual assigned to a
151 federally recognized National Guard unit in Connecticut.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2008</i>	27-61
Sec. 2	<i>July 1, 2008, and applicable to income years commencing on or after January 1, 2009</i>	12-701(a)(20)(B)

Statement of Purpose:

To provide minimum pay of one hundred twenty-five dollars per day for members of the Connecticut National Guard ordered to state active duty, and provide a deduction under the state income tax for pay received for such state active duty.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]